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BOOK REVIEWS AND NOTICES

Trade and Tariffs. By JOHN M. ROBERTSON, M. P. London: Adam and Charles Black, 1908. 8vo, pp. ix+331.

This is a book of much serious merit by a member of Parliament. Needless to say, it is written from the Britannic standpoint, and hence has for the American the double merit of informing about the present free-trader's view of the tariff in England, and of furnishing a good general argument in favor of free trade, along with not a little criticism upon the American situation.

The political training of the author is manifested in his fondness for dialectic. Inconsistency of protectionist argument encourages expressions of contempt: "Something may indeed be said for the protectionists on the score of their average incapacity for reflection of any kind" (p. 308).

It is inconsequently argued by protectionists that a protective tariff is designed to yield revenue and also that it is designed to give employment. A tariff, they say, should be raised against "dumping" by foreign protectionist countries, but a tariff is also raised as a preventive of the depression which leads such countries to dump. Hence we are uncertain whether tariffs cause or cure depressions. Protectionists declaim against free trade as the cause of falling off in English trade, and yet they advocate the favoring of exports of manufactures, which could hardly fail to be accompanied by a falling off in exports of raw materials. It is claimed by protectionists that foreign wages are raised by foreign tariffs, and yet that England should impose a high tariff upon the wares produced by the same laborers on the ground that the latter are underpaid. How familiar we of America are with this same "pauper labor" argument sung at every cross-roads in campaign time! Tributes, says Mr. Robertson, destroyed the industries and finally the nationality of ancient Rome (and we may add of mediaeval Spain), and yet protectionists would make foreign nations economically tributary, contrive in some way that we shall not pay for what we buy. Mr. Balfour states that foreign tariffs have been raised in order to cut off English exports, but he wants England to adopt a tariff in order to encourage her exports, which are stated to have already fallen (p. 216). He says that, of course, it cannot be expected that Germany will lower its tariff because England raises hers; and yet he desires England to raise her tariff in order to combat the Germans (p. 217). Protectionists deplore exports of coal and yet are very anxious to encourage exports of iron. (The reviewer may be allowed to add that the justification is perfectly plain to the ordinary protectionist; the refutation is the Sisyphus task of the college professor, except Professor Ashley, p. 246.) If imports caused by a foreign bounty are "unfair," then those that come in over a tariff wall, even assuming that the foreigner "pays the duty," will be still more "unfair" (p. 250). Protectionists claimed, a few years ago, that a falling off in England's foreign trade noticeable during depression was due to free trade. Why do they not now admit that the great increase that has subsequently manifested itself in that same trade is also due to free trade?

The general resort to protection in country after country is not an evidence of rational conviction but of a vicious circle quite analogous to the wasteful piling up of vast armaments. Protectionism is really the result of a general scramble for state favor, in which each suitor loses sight of the others, and takes his chances of the injury that may be done to his interests by the favors granted to them. It is "a scramble of interests," a "riot of rapacity." It is from protectionist countries that capital emigrates, not, as alleged by protectionists, from free-trade countries. Protection encourages low-grade industries. As to protection in order to federate the empire—the colonies have rejected the offer.

The statistical evidence adduced by Mr. Robertson is, in the mass, of real persuasive value. As a mere work of information this book is praiseworthy. The difficulty of proving an economic thesis by statistical figures must, however, impress the careful reader. That, in such a vast quantity of data, the author's figures are on the whole consistent with his main proposition is in itself persuasive.

The earlier historical chapters treat of mediaeval paternalism in general. In that age evolution of politics and economy had not yet banished from the field many measures that rivaled protection for the favor of the patrons of paternalist theory. Those measures were really a war of particular interests. The contention of List and others that "England in the eighteenth century was skilfully building up each of her great staple industries by vigilant protection," is to be relegated to the lumber-room of the dawn theory of linguistics.

When our author comes down to later, capitalistic times and tries to trace unemployment and distress to tariffs, he is treating of a much more complicated topic, in which general considerations are more convincing than figures. It is more likely that hard times lead to tariff changes—sometimes up and sometimes down—than that the unique movement of tariffs upward directly causes hard times. The crisis of 1893 in the United States is laid upon the McKinley tariff and especially upon the tin-plate duties. Little is said of the falling off in revenues caused by that tariff. It is very likely true that great injury was done to the American canning industry, and foreign rivals were encouraged by the tariff. It is hard to say how much injury was caused by tin-plate protection. Precisely for that reason, it is incorrect to ascribe to it the crisis of 1893-96 in the United States. One who has studied that crisis knows that its causes are largely antecedent or foreign to the passage of the McKinley law.

More convincing would be argument to the effect that since the abolition of the corn laws in England financial crises have been less severe there than in other countries. We believe that a good argument could be made for free trade along that line.

Again, the author is carried so far as to state that protection has actually reduced wages in the United States below the English level. Let us grant, for sake of argument, that the American level is lower than the English level. In this part of the country, where, in every county, hundreds of automobiles are owned by farmers, the concession would excite a smile. Nevertheless, so many other causes tending to inefficiency of considerable numbers of persons are present that it is impossible to isolate statistical proof against protectionism. It is credibly stated that the population of New England is suffering from

degeneracy. The New England villager is beaten in the race of competition. Obviously, if free trade intensifies competition, it would but heighten this evil. Hordes of Hungarians, Italians, Croatians, even Syrians, have been dumped upon us. These people are competitively hopeless. They, coupled with the Polish and Russian Jews, are incapable of the moral altitude of American citizenship, and are worth but small wages. Ten million negroes are small wage-earners. Large numbers, a million at least, of poor whites in the South are rendered non-competitive by the hook-worm. Are the low wages of all these persons to be laid to the door of protectionism?

One word more. The strictly political book, no matter how well documented, cannot answer fully the wants of the really critical reader. Doubtless Mr. Robertson would disclaim any such ambition. He may take consolation from the thought that the ideal tariff treatise is not yet written. Such a work will explain the making and unmaking of tariffs, not by chance nor dictated by blind greed, but as a part of the greater process of progress. "Tariff-tinkering" is rooted deeply in human desire for change, experiment, and progress. Is it worth while getting hot about ideals? The free-trade argument shows that *present* losses take place from protection. It also shows that economic progress *could* take place faster without tariffs. So be it. But *would* it take place? Hypothesis contrary to fact is not generally considered very instructive, and in this country the free trader bears the logical burden of the argument.

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The Sugar Refining Industry in the United States. By PAUL L. VOGT. Philadelphia: Publications of the University of Pennsylvania, "Series in Political Economy and Public Law," No. 21, 1908. 8vo, pp. viii+127.

The underlying purpose of the author here is "to trace the steps in the development of the sugar-refining industry which made the appearance of a combination of producers inevitable." A brief study of the history of the industry down to the formation of the trust in 1887 shows how conditions tended to localize the refineries and how, with improved methods of production and increased resort to machinery, a larger and larger scale of production became the most economical form of organization. In the early years of this history the tariff was also a considerable factor in this general movement because of the stimulus to growth which it afforded, particularly through the lack of a proper adjustment between the duty and the drawback, which acted as a bounty on exports, during the years 1830-40. Up to about 1870 the number of plants increased with the output but since then, in spite of increasing output, the number has declined, due to changes in the tariff, improvements in the technical methods, and the advantages of large-scale production. The increased severity of competition which followed in the train of these things wiped out many of the smaller concerns and led the survivors to make repeated attempts to limit the output or regulate the competition—attempts which proved only abortive or temporary in results until the formation of the trust in 1887. There follows a history of the trust, its growth, organization, and struggle with the independ-